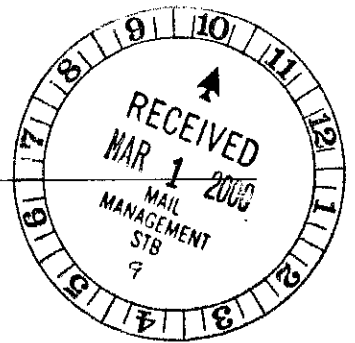


Pac West®

Pacific Western Warehousing & Distribution, L.L.C.
329 Van Norman Road, Montebello, CA 90640
562-801-0575 FAX:562-801-9945

197370



February 28, 2000

Surface Transportation Board
Office of the Secretary
Case Control Unit,
Attn: STB Ex Parte No. 582
1925 K Street, N.W.
Washington, D.C. 20423-0001

MAR 01 2000

Post at
Office of the Secretary

Gentlemen:

I am President of a steel distribution facility in Montebello California. We handle over 100 railcars per month of material received from various points in North America. Our service depends on the efficient and economic movement of rail carloads of steel products from primarily Eastern and Canadian shippers. Once the car arrives, we transload the material, provide local storage, and local truck delivery. This type of service allows the steel mills to ship material to customers, who do not have direct rail access, those customers who may not have rail car order size quantities, and those that prefer truck delivery to allow the efficiency of just in time delivery of product. The end result is that our combined services increase their capabilities to penetrate the marketplace by providing, and depending on, competitive transportation costs. We are located on the Union Pacific Railroad. We are a relatively new company, and plan on constructing a state of the art steel warehouse, and triple our rail activity over the next 24-36 months.

Most steel shippers are located in the eastern part of the United States or in Canada, and the rail routes needed thus involve joint line routing. Our facility is served by the Union Pacific, and much of our business moves over common gateways, such as Chicago. Our concern with the proposed merger of the BN/CN is that several steel shippers are located on the lines of the CN or IC. The BNSF also has transload service providers on their line in California. If the merger occurs, it is highly likely, absent some protective conditions, that shippers by the CN/IC will not be offered rates and service to a Union Pacific served facility, such as ours, thereby, redirecting shipments we presently enjoy, to our competition across town, on the BNSF.

This restricts the ability of Pac West to compete, and renders us noncompetitive to CN / IC served shippers. This adversely affects our potential rail volume, and will serve to increase transportation costs to the CN / IC shippers who now have a choice as to which western carrier to handle the destination services of transload, store and

deliver. These specific shippers will loose their competitive position when negotiating price and service to western points, as in effect they will now be single line, and my company will be rendered effectively unable to compete due to the merger, not due to anything over which we have control.

I feel we will competitively disadvantaged by this merger unless protective routing is established.

Sincerely,

A handwritten signature in cursive script, appearing to read "Douglas R. Rousse".

Douglas R. Rousse
President